

**NORTH CAROLINA  
DIVISION OF AIR QUALITY  
Application Review**

**Region:** Raleigh Regional Office  
**County:** Halifax  
**NC Facility ID:** 4200174  
**Inspector's Name:** Will Wike  
**Date of Last Inspection:** 05/06/2016  
**Compliance Code:** 3 / Compliance - inspection

**Permit Issue Date:** xx

<p style="text-align: center;"><b>Facility Data</b></p> <p><b>Applicant (Facility's Name):</b> Roanoke Valley Energy Facility</p> <p><b>Facility Address:</b>  Roanoke Valley Energy Facility  290 Power Place  Weldon, NC 27890</p> <p><b>SIC:</b> 4911 / Electric Services  <b>NAICS:</b> 221112 / Fossil Fuel Electric Power Generation</p> <p><b>Facility Classification: Before:</b> Title V <b>After:</b> Title V  <b>Fee Classification: Before:</b> Title V <b>After:</b> Title V</p>	<p style="text-align: center;"><b>Permit Applicability (this application only)</b></p> <p><b>SIP:</b> N/A  <b>NSPS:</b> N/A  <b>NESHAP:</b> N/A  <b>PSD:</b> N/A  <b>PSD Avoidance:</b> N/A  <b>NC Toxics:</b> N/A  <b>112(r):</b> N/A  <b>Other:</b> CSAPR</p>
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Contact Data			Application Data
<p style="text-align: center;"><b>Facility Contact</b></p> <p>Chris Hews  Environmental Manager  (252) 536-3200  290 Power Place  Weldon, NC 27890</p>	<p style="text-align: center;"><b>Authorized Contact</b></p> <p>Don Keisling  President  (252) 536-3201x230  290 Power Place  Weldon, NC 27890</p>	<p style="text-align: center;"><b>Technical Contact</b></p> <p>Chris Hews  Environmental Manager  (252) 536-3200  290 Power Place  Weldon, NC 27890</p>	<p><b>Application Number:</b> 4200174.15A  <b>Date Received:</b> 08/17/2015  <b>Application Type:</b> Modification  <b>Application Schedule:</b> TV-Reopen for Cause</p> <p style="text-align: center;"><b>Existing Permit Data</b></p> <p><b>Existing Permit Number:</b> 06964/T19  <b>Existing Permit Issue Date:</b> 04/01/2013  <b>Existing Permit Expiration Date:</b> 03/31/2018</p>

**Total Actual emissions in TONS/YEAR:**

CY	SO2	NOX	VOC	CO	PM10	Total HAP	Largest HAP
2014	358.86	959.82	5.96	528.67	17.32	5.01	2.64 [Hydrogen chloride (hydrochlori]
2013	757.24	2146.57	16.36	1094.91	35.99	11.28	5.93 [Hydrogen chloride (hydrochlori]
2012	680.84	1914.06	15.85	1026.20	33.91	10.63	5.61 [Hydrogen chloride (hydrochlori]
2011	716.30	1979.05	16.14	1133.12	36.96	9.04	3.53 [Hydrogen chloride (hydrochlori]
2010	670.37	2046.72	16.12	1116.51	36.57	6.14	2.22 [Hydrogen fluoride (hydrofluori]

<p><b>Review Engineer:</b> Rahul Thaker</p> <p><b>Review Engineer's Signature:</b>                      <b>Date:</b> June 8, 2016</p>	<p style="text-align: center;"><b>Comments / Recommendations:</b></p> <p><b>Issue</b> 06964/T20  <b>Permit Issue Date:</b> xx  <b>Permit Expiration Date:</b> xx</p>
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## **1. Purpose of the Application**

Roanoke Valley Energy Facility (ROVA), Weldon, NC, has submitted an application under the "reopen for cause" provision in 15A NCAC 02Q .0517 on August 17, 2015.

## **2. Facility Description**

The facility is a cogeneration facility comprising of (i) two, coal/No. 2 fuel oil-fired boilers, (ii) coal receiving, handling and storage equipment, (iii) flyash/spent lime storage and handling equipment, (iv) lime receiving, storage and recycling equipment, and (v) support equipment.

## **3. Statement of Compliance**

Will Wike of Raleigh Regional Office inspected the facility on 05/06/2016. His inspection report indicates that the facility is operating in compliance with the requirements of its title V permit. Moreover, the responsible official has certified through submission of Form E5 that the facility is in compliance with all applicable requirements.

## **4. Permit Changes**

The Permittee has requested the removal of the existing Clean Air Interstate Rules (CAIR) requirements from the title V permit and replace it with the Cross-State Air Pollution Rule (CSAPR) requirements, in accordance with the "reopen for cause" provision in 02Q .0517.

Specifically, the current permit includes the CAIR requirements in Section 2.4, with respect to annual NO<sub>x</sub> (02D .2403), ozone season NO<sub>x</sub> (02D .02405), and annual SO<sub>2</sub> (02D .02404). These CAIR requirements were applicable to existing electric utility steam generating units [EGUs] (such as fossil fuel fired boilers producing electricity for sale and serving an electric generator with nameplate capacity of at least 25 MW, e.g., two coal/oil-fired boilers E-1 and E-15). The permitted EGUs were subject to these CAIR requirements until recently. Effective February 1, 2016, these requirements have been repealed by NC.

It needs to be emphasized here that the CAIR requirements have been supplanted with the CSAPR requirements. This particular issue was discussed by the DAQ in a meeting with the ROVA representatives on August 4, 2015 and again, during the telephone conversation on August 10, 2015.

The background on these CAIR v. CSAPR is described below:

On July 11, 2008, in *North Carolina v. EPA*, the US Court of Appeals for the D. C. Circuit ("DC Circuit") had found the EPA's CAIR illegal. The Court vacated and remanded this rule. But, on rehearing, on December 23, 2008, the Court remanded without vacature the CAIR so that the EPA could remedy the rule consistent with the above July 2008 opinion. In brief, the DC Circuit had left the CAIR in place until the replacement of CAIR was promulgated.

The CAIR was promulgated, addressing the interstate pollution transport under the "good neighbor" provision included in §110(a)(2)(D)(i)(I) of the CAA.

On August 8, 2011 (76 FR 48208), the EPA promulgated the CSAPR, replacing the CAIR, again combating the interstate transport of air pollution under this CAA provision.

The DC Circuit on December 30, 2011 stayed the CSAPR and asked the EPA to continue implementing the CAIR.

Subsequently on merits, on August 21, 2012, the same Court in *EME Homer City Generation v. EPA*, vacated the entire CSAPR.

On April 23, 2014, the US Supreme Court in *EPA v. EME Homer City Generation*, reversed the judgement of the DC Circuit in the CSAPR (that is, upheld the CSAPR) and remanded the case back to the DC Circuit.

The DC Circuit on October 23, 2014 issued an Order, lifting the stay of CSAPR.

Finally, on December 3, 2014 (79 FR 71663), EPA made changes to its regulations (such as tolling the existing deadlines) consistent with the above Order, making compliance with the CSAPR's Phase 1 and 2 requirements, starting January 1, 2015, and January 1, 2017, respectively. With respect to "sun-setting" the CAIR requirements, EPA has ruled that it will not be carrying out any functions or enforcing any requirements for any control period after December 31, 2014, for both annual and ozone season NO<sub>x</sub>, and for annual SO<sub>2</sub>, as per §52.35(f) and §52.36(e), respectively.

Thus, consistent with the above and as requested by the applicant, the DAQ has "reopened" the existing title V permit for this facility on August 17, 2015, pursuant to 02Q .0517 "Reopening for Cause", to replace the CAIR permit requirements. [Application 4200174.15A].

Unlike the CAIR, the CSAPR is a federal implementation plan (FIP) and is not enforceable by NC. The DAQ will, therefore, include the applicability of the CSAPR in the title V permit without any detailed requirements, as follows. It needs to be noted here that the CSAPR is also referred to as the "Transport Rule (TR)" in EPA's regulations.

For fossil fuel-fired boilers (ID Nos. E-1 and E-15), the Permittee shall comply with all applicable requirements of 40 CFR Part 97, Subpart AAAAA "TR NO<sub>x</sub> Annual Trading Program", Subpart BBBBB "TR NO<sub>x</sub> Ozone Season Trading Program", and Subpart CCCCC "TR SO<sub>2</sub> Group 1 Trading Program".

In summary, in the revised permit, the above CSAPR requirements will be referenced as federal-only requirement, without including any details.

## **5. Attainment Status, PSD, CAM, and 112(r)**

### PSD

The County of Halifax is either in attainment or unclassifiable/attainment for all promulgated National Ambient Air Quality Standards (NAAQS) in accordance with §81.334. PSD program applies to any major stationary source and any major modification to an existing major stationary source in this County.

The ROVA facility is an existing "major stationary source" for PSD. This "reopen for cause" application or any changes discussed in this application review do not amount to any "physical change in or change in the method of operation" for any permitted sources.

Finally, Halifax County is triggered for PM<sub>10</sub>, SO<sub>2</sub>, and NO<sub>2</sub>, with respect to minor source baseline dates. However, this modification ("reopen for cause" permit issuance) does not affect these triggered pollutants.

### Compliance Assurance Monitoring (CAM)

The current permit includes CAM plans for some of the permitted sources. This application does not request any changes to the existing CAM plans.

### 112(r)

The facility is not subject to this requirement as per the last inspection report.

## **6. Facility-wide Emissions**

The beginning of the application review includes a summary of facility-wide actual emissions, as reported to the DAQ by ROVA, for calendar years 2010 through 2014.

## 7. Public Notice/EPA and Affected State(s) Review

Pursuant to 15A NCAC 02Q .0521, a notice of the DRAFT Title V Permit will be placed on the NCDEQ (North Carolina Department of Environmental Quality) website on xx. The notice will provide for a 30-day comment period with an opportunity for a public hearing. Copies of the public notice will be sent to persons on the Title V mailing list and the EPA on xx. Pursuant to 15A NCAC 02Q .0522, a copy of the proposed permit (in this case, the draft permit) will also be provided on the same day to the EPA for their 45-day review. Also pursuant to 02Q .0522, a notice of the DRAFT Title V Permit will be provided to each affected State at or before the time notice provided to the public under 02Q .0521 above. A copy of the final permit will also be provided to the EPA upon issuance as per 02Q .0522.

## 8. Stipulation Review

The following changes were made to the Westmoreland Partners, LLC, Roanoke Valley Energy Facility, Air Quality Permit No. 06964T19:

Old Page No. [Air Permit No. 06964T19]	New Page No. [Air Permit No. 06964T20]	Condition No.	Changes
7 13	7 13	Section 2.1 A. Table Section 2.1 B. Table	Remove applicability of CAIR (02D .02403, .02404, and .02405) and replace it with CSAPR (40 CFR Part 97, Subpart AAAAA "TR NOx Annual Trading Program", Subpart BBBBB "TR NOx Ozone Season Trading Program", and Subpart CCCCC "TR SO <sub>2</sub> Group 1 Trading Program").  Include applicability of 02D .0614 Compliance Assurance Monitoring.
27 33	29 35	Section 2.1 D.4.d. Section 2.2 A.1.e.	Revise the reporting requirements pursuant to 40 CFR 64.9.
36	38	Section 2.4 A., B., and C., and D.	Remove these CAIR (02D .02403, .02404, and .02405) requirements and replace it with CSAPR (40 CFR Part 97, Subpart AAAAA "TR NOx Annual Trading Program", Subpart BBBBB "TR NOx Ozone Season Trading Program", and Subpart CCCCC "TR SO <sub>2</sub> Group 1 Trading Program").
38	39	Section 3	Update the General Conditions with the latest version.

## 9. Conclusions, Comments, and Recommendations

- The application does not include any new control devices. Hence, PE seal requirement is not applicable pursuant to 02Q .0112.
- The application does not include any new or modified emissions sources and/or control devices. So, local zoning consistency determination requirement is not applicable pursuant to 02Q .0507(d).

- The draft permit was emailed to the Raleigh Regional Office (RRO) for review on May 27, 2016. Charles McEachern of the RRO replied on June 3, 2016 with no comments and recommended to issue a revised permit.
- The draft permit was emailed to the applicant for review on May 27, 2016. Don Keisling emailed on June 6, 2016 a comment, recommending himself as the primary responsible official for all CAA permitting instead of Jennifer Grafton. The DAQ will make this change.
- This permit engineer recommends issuing the initial Title V permit upon completion of both the public and EPA review periods.